

**NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT OF
PROPOSED LOCAL GOVERNMENT FINANCING**

November 4, 2020

Joint Legislative Committee on Local Government
North Carolina General Assembly
16 West Jones Street
Raleigh, North Carolina 27601
Attention Committee Chairs; Committee Assistant

Fiscal Research Division
North Carolina General Assembly
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Director

***Bald Head Island Transportation Authority
\$62,000,000 Transportation System Revenue Bonds, Series 2020***

As bond counsel to the Bald Head Island Transportation Authority (the "Authority"), and as required under N.C. Gen. Stat. Section 120-157.2, we are providing this notice of a proposed local government capital project that requires approval of the North Carolina Local Government Commission (the "LGC"). The Authority notifies you of its intent to issue revenue bonds pursuant to The State and Local Government Revenue Bond Act, N.C.G.S. § 159-80 et seq. The Board of Trustees of the Authority (the "Board") has determined to purchase the ferry and ground transportation assets and services being provided to Bald Head Island, North Carolina (the "Island"), including but not limited to (i) the transportation of passengers via ferry to and from the Island and Southport, North Carolina; (ii) the on-island tram transportation of ferry passengers; (iii) the vehicle parking operation at Deep Point Marina in Southport, North Carolina, and (iv) the tug and freight barge operation which carries supplies and equipment upon which the Island depends (collectively, the "Ferry Transportation System"), in accordance with the terms of the Ferry Transportation Act, General Statutes of North Carolina Section 160A-680 et seq. (the "Enabling Act"). The Authority is considering the issuance of approximately \$62,000,000 in the aggregate principal amount of the Authority's Transportation System Revenue Bonds, Series 2020 (the "Bonds"), which are likely to include senior bonds (up to \$56,000,000) and subordinate seller financing bonds (\$6,000,000), and may include both taxable and tax-exempt bonds, to finance the acquisition of the Ferry Transportation System. The Authority expects to adopt a bond order that pledges the revenue from the Ferry Transportation System to the repayment of revenue bonds supported by the Ferry Transportation System. Therefore, repayment of the Bonds will come from the pledged revenues generated by the Ferry Transportation System.

The Authority intends to submit an application for approval of the Bonds to the North Carolina Local Government Commission (the "LGC") and expects that the LGC will consider for approval the Authority's application at its meeting scheduled for December 1, 2020 or such later meeting as the Authority and the LGC may determine.

Very truly yours,



Mary Nash Rusher

cc: Greg C. Gaskins, Secretary
Local Government Commission
NC Department of State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604